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C O N F I D E N T I A L SECTION 01 OF 03 BRUSSELS 000223

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SUBJECT: (CORRECTED CABLE FOR ERROR IN SUBJECT LINE) EU
SEEKS ROLE IN MIDDLE EAST PEACE AS DIVISIONS PERSIST

Classified By: USEU Charge d'Affaires, a.i., Christopher Murray for rea sons 1.5 (b) and (d)

 $\P 1$. (C) Summary: As Israel undertakes the formation of a new government and plans go forward for the March 2 Cairo donors conference, several EU officials and diplomats from EU member states and non-EU interested missions (such as Egypt, Israel and Norway) have told us the importance they attach to the EU role in any peace effort and to U.S.-EU cooperation to advance peace efforts. The Egyptians and Israelis have been lobbying the EU and the member states on assistance and upcoming conferences, and on cease-fire, reconciliation, and arms interdiction efforts. Both Egypt and Israel are urging support for the Palestinian Authority (PA) over Hamas, and the Norwegians are trying to preserve the role of the Ad Hoc Liaison Committee (AHLC) in coordinating assistance. Despite EU divisions and real or perceived differences with us on some issues (such as how to approach a possible caretaker government including Hamas), the EU, as the largest assistance donor to the Palestinians and a significant current and potential contributor to stability missions will remain important to peace efforts. End Summary.

Egyptians Seek Support for their Role

12. (C) Egyptian Embassy DCM Badr Abdelatty sought out USEU Political Counselor and Deputy PolCouns February 9 to brief us on Egypt's activities and seek read-outs of the Copenhagen conference on arms interdiction. He reiterated Egypt's concerns on a number of issues--especially reports that Qatar wants to host some type of conference. Noting that Egypt would host the March 2 conference, he made careful note that the title, the "Cairo International Conference for Support of the Palestinian Economy and the Reconstruction of Gaza, reflected that the two issues of reconstruction and general support would be integrated into one conference. Egypt's "main objective" was to support the Palestinian Authority (PA) and Abu Mazen and not give Hamas credit for bringing in assistance. He said Egypt would chair and Norway would co-chair (which the Norwegian mission here confirmed). There would be six co-sponsors: the EU, the UN, the Arab League, France (as host of the 2007 donors conference), Italy (representing the G-8), and Saudi Arabia (having announced a \$1 billion contribution).

13. (C) Abdelatty denounced Qatar's effort to organize some

type of separate conference, saying it was trying to "torpedo" Egypt's efforts. He asked for the U.S. view on the Qatar conference and said Egypt was trying to ensure EU, U.S., and other support for the Cairo conference. Aside from providing needed assistance, Egypt wanted, he said, to "fill the gap" left in the wake of the war, and avoid the situation that occurred in Lebanon in 2006 which allowed Hezbollah to claim political victory. Both EU and Norwegian contacts said they had no clear information on the purported Qatari conference, but fully intended to support the Egyptian effort.

- ¶4. (C) Abdelatty also described Egypt's efforts to promote a cease-fire and was hopeful that a one year or 18-month cease-fire could be announced mid-February. On Palestinian reconciliation, he said Egypt had extended invitations for a February 22 conference for the various factions. He said there would first be bilateral and then "comprehensive" discussions. Egypt wants an agreement on the establishment of a joint government (of technocrats, for example), and hopes the international community "will not be too rigid, and will not make the mistake of 2006," when, he said, the international community was "too rigid" on Quartet principles. The caretaker government would oversee reconstruction and prepare elections.
- 15. (C) The Egyptians made the same pitch at the January 26 dinner with EU foreign ministers (attended also by the Jordanian, Turkish, Palestinian Authority, and Norwegian foreign ministers). According to our Norwegian contacts, the EU ministers assured the Egyptians of their support for

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Egypt's efforts and for Egypt's role in the reconciliation efforts. They said that the Swedish Foreign Minister Bildt was not optimistic that a technocratic government could be agreed upon by the end of February as the Egyptians predicted. According to the Czechs, the French suggested language in the GAERC conclusions that would have moved away from Quartet principles, but consensus was not to explicitly address the issue, and so there was no reference to the principle in the conclusions. The Germans and Czechs have told us there are voices that want to "be more flexible" with regard to a possible caretaker government, with some arguing that acceptance of the Arab peace initiative might be an acceptable alternative. Germany, according to our contacts, remains committed to the Quartet principles.

16. (C) Abdelatty expressed keen interest in the February 4-5 conference on arms interdiction held in Copenhagen. He said he had seen working papers but had no read-out of the conference. We described the purposes of the conference and said we would provide a read-out when possible. He expressed concern that Egyptian territorial waters concerns be met and conveyed a general sense of the need to cooperate. He also mentioned the German offer to assist in stopping arms flows through the tunnels, something various EU contacts have noted to us in conversations. But EU contacts also have noted an Egyptian reluctance to fully face the importance of Egyptian action in stopping the arms flow through the tunnels. Czech mission's Middle East advisor said that at the January 26 EU Foreign Ministers' dinner with the Egyptian, Jordanian, Turkish, PA, and Norwegian Foreign Ministers, Egyptian Foreign Minister Abul Gheit at first tried to deflect discussion of the tunnels. According to our contact, Abul Gheit claimed that many of the arms came from sub-Saharan Africa, across the Libyan desert and then to Gaza by sea. After EU ministers pressed him on the subject he acknowledged the importance of the tunnels and noted Egypt's acceptance of the German offer of equipment to detect arms. Our German contacts told us that, while the EU endorsed the arms interdiction efforts and many EU countries are willing to participate or take the lead, there does not appear right now to be a role for the EU as such in seaborne interdiction efforts.

17. (C) Abdelatty asked the U.S. views on Sarkozy's proposal to hold a Middle East conference in Paris, noting that Moscow expected to host a conference as well. He expressed concern that Moscow not be angered, noting Russia is an important part of the equation in their Quartet role. (Note: We met with Abdelatty while Mubarak was in Paris, and so there was no read-out of discussions on the subject there. End Note.)

Israelis Dismayed by Halt to Upgrade Talks While Europeans Complain about Humanitarian Access

18. (C) The Gaza conflict and public attention to it has also had an impact on progress in EU-Israel relations. Agreement had been reached in 2008 on talks to upgrade the EU-Israel Association Agreement. The upgrade would enhance trade relations, but also create structures for closer political alignment. The Czechs had envisioned an EU-Israel summit during their presidency--originally slated for May 2009--to showcase the upgraded ties. While the upgrade had aroused some opposition in the European Parliament in the fall of 2008, with many critical in particular of Israel's closure of Gaza and continued settlement activity, plans had moved forward. The Gaza conflict led to a quiet decision to stop work on the upgrade. The Czech mission Middle East counselor said that some technical work on the upgrade would continue, but that more formal meetings, including the summit, were off for now. The DCM at the Israeli Embassy expressed surprise and dismay that the work had stopped, and believed that some EU officials, including the EC Representative in Tel Aviv had over-interpreted the Council's intentions in halting some technical level meetings. The Czech official, however, said that prior to the January Foreign Ministers' meeting, some countries, angered at Israel's conduct of the war in Gaza, wanted to go a step further and have the GAERC issue a formal conclusion or statement announcing the halt of progress. The

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Czechs succeeded in pushing back on a statement (or conclusion) but agreed that the upgrade should be put on ice for now, and there will likely be no summit.

- 19. (C) The decision reflects widespread public concern, as reflected in the tenor of several European Parliament hearings in January and February, over what is seen as Israel's disproportionate response to Hamas's rocket attacks, which builds on the pre-existing sentiment (and official views in the Council and European Commission) that Israeli settlement activity was undermining efforts toward peace and that the closure of Gaza was inhumane and was weakening the Palestinian Authority. The Germans raised with us February 12 concerns about ongoing settlement activities and said the EU had demarched the Israeli government February 11. Some EU countries wanted the January GAERC to make a statement calling for an investigation into allegations that Israel violated humanitarian law.
- 110. (C) The EU as a whole remains concerned about the restrictions on delivery of humanitarian aid, with the EU issuing a public statement about its concerns in recent days. In describing FM Livni's January 21 dinner with EU foreign ministers, both the Israeli DCM and Czech Middle East advisor emphasized that Livni was pressed hard to allow greater access and to expand the scope of material allowed in. Livni committed herself to allowing a larger flow of humanitarian assistance, but refused to budge on the scope of assistance. Read-outs from EU members and officials, the Israeli DCM, and the Norwegians (who did not participate in that dinner) are that the overall atmosphere was not positive at the dinner. In the subsequent weeks, the EU has continued to express dismay that Israel has allowed only the most basic medical and building supplies, and fears this will strengthen Hamas and weaken the PA further, an outlook with which the Norwegians agree.

Comment

111. (C) There is not always unity of purpose within the EU and there is clear jockeying by some member states to play a leading role. And, while there is no support or effort to justify Hamas, there is a clear sentiment among some member states (and the public) that Israel's military incursion into Gaza was disproportionate and resentment over calls for the EU to rebuild what Israel destroyed. Such sentiment was conveyed to us, for example, by Swedish PermRep Christian Danielsson, who will chair the Brussels COREPER meetings under the Swedish presidency starting July 1. There are some member states who think Hamas will eventually have to be brought into discussions and many who say, at least privately, that they believe only the U.S. can bring pressure on Israel to stop settlement activities and open the Gaza borders. With its large assistance programs and readiness to provide security missions, we will look to the EU to be part of securing any peace agreements and should keep the EU as a whole informed and involved as we move forward.

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